

Gross receipts from the sale of newspapers and magazines in Illinois are not subject to sales tax. See 86 Ill. Adm. Code Section 130.2105. (This is a GIL.)

May 23, 2007

Dear Xxxxx:

This letter is in response to your letter dated February 2, 2007, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Recently I wrote to IDOR's online support enter. They have directed me to the legal department, because we are looking for a ruling on the taxability of our magazine. As far as we can tell, it should be exempt from use tax because it is a magazine, it is produced and distributed to our membership 9 times per year at no additional [sic] cost beyond membership dues. It is soft covered and contains advertising. It is available to the general public on a subscription basis. The publication is currently being printed in Wisconsin and we have been self assessing use tax for the last 7 years. I enclosed a copy of January 2007's issue for your reference.

1. Should we still self-assess tax on this publication?
2. If not, how would we go about getting a refund for the tax we've paid for these last # of years?

Please feel free to contact me with any questions or if you'd like additional information. I have enclosed a copy of my correspondence with IDOR's online support center.

**DEPARTMENT'S RESPONSE**

Gross receipts from the sale of newspapers and magazines in Illinois are not subject to sales tax. The Department's regulation regarding sellers of newspapers, magazines and books at, 86 Ill. Adm. Code Section 130.2105(a)(2), states that:

*[s]ales of newspapers and magazines are not subject to the tax because of the newsprint and ink exemption (see Section 1 of the Act). In determining whether a publication qualifies as a magazine for the purpose of the newsprint and ink exemption, there is one test that must be met and several other factors to be considered. The test that must be met for a publication to qualify as a magazine is that it must be published periodically in the form of newsprint and ink. Periodically means at least two times per year. The other factors to be considered are whether a member of the public can subscribe to the publication, whether the publication is one that has the basic format of a magazine, including soft covers, individual pages and indexed articles, whether it contains articles and items that have value to the general public, and whether it contains general advertising. A publication that has one or more of these characteristics would be considered to be a magazine, assuming the initial test of periodic publication is met. 86 Ill. Adm. Code 130.22105(a)(2).*

See also, *Moody's Investors Service, Inc. v. Department of Revenue* 445 N.E.2d 1331 (Ill. App. 1983), *affirmed* 461 N.E.2d 972 (1984).

A professional journal that is published two or more times a year, is available to the public by subscription, has the format of a magazine, contains articles and items that have value to the general public, and contains general advertising qualifies for the newsprint and ink exemption from sales tax.

Claims for credit and refunds are available when a taxpayer shows that he paid tax to the Department as a result of a mistake of fact or law. See 86 Ill. Adm. Code 130.1501.

As the Department's regulation for filing claims for credit provides, the statute of limitations for filing claims is 3 to 3 1/2 years and it expires in six month blocks. See 86 Ill. Admin. Code 130.1501(a)(4). Forms are available on the Department's website.

If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Martha P. Mote  
Associate Counsel

MPM:msk